

LNF & IHCIF Calculations Illustration

- SOUTHERN OREGON in Portland area -

Given Data

- 1,964 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 23% = % Expenditures on purchased services, 77% = % expenditures in-house
- 107.3% = Cost index for purchasing health care in this geographic area
- 126.1% = Size cost index for in-house costs due to small or large size
- 96.9% = Portland area cost index for health status above or below average

Cost Adjustment Calculations

- \$737 per person for purchased services = $23\% * 107.3\% * \$2,980$
- \$2,891 per person for in-house services = $77\% * 126.1\% * \$2,980$
- \$3,628 per person total = \$737 (purchase) + \$2,891 (in-house)
- **\$3,517 per person total** adjusted for health status = $\$3,628 * 96.9\%$
- **\$2,772 per person net cost** = $\$3,517 - \745 Other resources (M&M&PI)

Existing Expenditures (for 1,964 users excluding wrap-around and collections)

- \$2,394 per person = local IHS allowance (excludes \$ for wrap-around)
- \$152 per person = expenditures elsewhere in Portland area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$2,600 per person for OU users** = $\$2,394 + \$152 + \$54$

LNF Calculation

- **73.9% Gross LNF** = $\$2,600$ (expenditures) / $\$3,517$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **93.8% Net LNF** = $\$2,600 / \$2,772$ net cost ($\$3,517 - \745 other)

IHCIF Allocation

- \$0 = \$ to raise LNF% from 93.8% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$0 Allocation** = \$0 needed for 60% * 3.488% IHCIF fraction

SOUTHERN OREGON Unmet Needs

- **\$5,443,986 Net Total Need** = 1,964 users * \$2,772 net cost
- **\$337,275 Net Unmet Need** = $(100\% - 93.8\% \text{ LNF}) * 1,964 \text{ users} * \$2,772 \text{ net cost}$